



The **Commodity Trader's Guide** deals with these and many other markets in much more detail over multiple time-frames. For more details and information about **Seven Days Ahead's** other trading guides: [CLICK HERE](#)

## Market Update

03<sup>rd</sup> April 2009

### Medium Term Base in Wheat Trying To Form

Late last year Wheat prices showed signs of recovering – in the end a modest recovery, before faltering. Support has been found above the Dec low and it looks as though the market is trying to base – but there are several hurdles that must be jumped before a convincing bullish picture is complete.

### The Commodity Trader's view



MONTHLY CHART –  
CONTINUATION:

The collapse in Wheat prices has found support from the 76.4% retracement of the 1999-2008 accelerating upmove.

*This particular Fibonaci retracement can often be most effective as support/resistance.*

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DAILY CHART – MAY-09:

The initial Dec/Jan recovery achieved a 23.6% pullback before petering out.

The subsequent pullback has been deep, but has stopped short of the 484.25 Dec low.

However, there is a good amount of ground to recover before we can talk about medium term base patterns.

Looking closer...

*Continued...*

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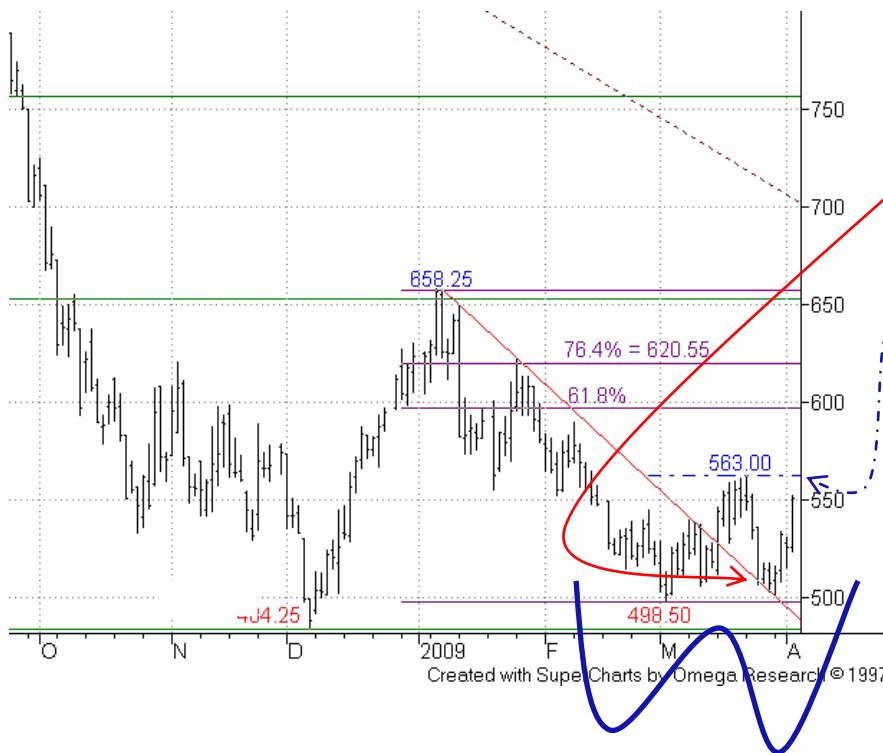
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#### DAILY CHART – MAY-09:

The break through the s/term falling resistance was a small positive, but also note how it provided subsequent support on the correction.

Bulls now need to see a close above the 563.00 23-Mar high, which would complete a small base pattern – and imply enough power to reach towards the small 76.4% bounce level around 620.

**Any buyers on the break will likely have initial stops just below the 498.50 03-Mar low, targeting towards 620 for partial profits, and then tightening stops.**

The 620 area provides the next hurdle, through which is one small step to the 658.25 early Jan high. A close above this latter would signal initial completion of a medium term base.

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*Mark Sturdy*

*Seven Days Ahead*

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